

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name JOHNSTOWN TOWNSHIP	County BARRY
Audit Date 3/31/04	Opinion Date 5/5/04	Date Accountant Report Submitted to State: 8/16/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:


1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) Siegfried Crandall PC			
Street Address 246 East Kilgore Road		City Kalamazoo	State MI
		ZIP 49002-5599	
Accountant Signature 			Date

Township of Johnstown
Barry County, Michigan
**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**
Year ended March 31, 2004

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INDEPENDENT AUDITORS' REPORT

**Members of the Township Board
Township of Johnstown, Michigan**

We have audited the accompanying general purpose financial statements of the Township of Johnstown, Michigan, as of March 31, 2004, and for the year then ended, as listed in the contents. These general purpose financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Johnstown, Michigan, at March 31, 2004, and the results of its operations and cash flows of its non-expendable trust fund for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements, as listed in the contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township of Johnstown, Michigan. The information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Siegfried Crandall P.C.

May 5, 2004

GENERAL PURPOSE FINANCIAL STATEMENTS

Township of Johnstown**COMBINED BALANCE SHEET - all fund types and account group**

March 31, 2004

				<i>Governmental fund types</i>		
				<i>General Fund</i>	<i>Special revenue</i>	<i>Debt Service</i>
ASSETS						
Cash			\$	336,930	\$ 667,618	\$ -
Receivables:						
Taxes				7,824	9,754	-
Special assessments				-	100,350	343,345
Interest				-	47	1,155
Due from other funds				1,237	-	-
Due from other governmental units				36,397	-	-
Prepaid expenses				15,487	-	-
Fixed assets				-	-	-
Amount to be provided for long-term debt				-	-	-
TOTAL ASSETS				<u>\$ 397,875</u>	<u>\$ 777,769</u>	<u>\$ 344,500</u>
LIABILITIES AND FUND EQUITY						
LIABILITIES:						
Accounts payable			\$	4,086	\$ -	\$ -
Due to other funds				-	-	-
Due to other governmental units				-	-	-
Special assessment debt with governmental commitment				-	-	-
Deferred revenue				<u>7,824</u>	<u>110,151</u>	<u>344,500</u>
Total liabilities				<u>11,910</u>	<u>110,151</u>	<u>344,500</u>
FUND EQUITY:						
Investment in general fixed assets				-	-	-
Fund balance:						
Reserved - cemetery perpetual care				-	-	-
Unreserved, designated				-	300,000	-
Unreserved, undesignated				<u>385,965</u>	<u>367,618</u>	<u>-</u>
Total fund equity				<u>385,965</u>	<u>667,618</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY				<u>\$ 397,875</u>	<u>\$ 777,769</u>	<u>\$ 344,500</u>

<i>Fiduciary fund types</i>	<i>Asset groups:</i>		<i>Totals</i>
<i>Trust and agency funds</i>	<i>General fixed assets</i>	<i>General long- term debt</i>	<i>(memorandum only)</i>
\$ 7,631	\$ -	\$ -	\$ 1,012,179
-	-	-	17,578
-	-	-	443,695
-	-	-	1,202
-	-	-	1,237
-	-	-	36,397
-	-	-	15,487
-	778,240	-	778,240
-	-	343,345	343,345
<u>\$ 7,631</u>	<u>\$ 778,240</u>	<u>\$ 343,345</u>	<u>\$ 2,649,360</u>
\$ -	\$ -	\$ -	\$ 4,086
1,237	-	-	1,237
3,064	-	-	3,064
-	-	343,345	343,345
-	-	-	462,475
<u>4,301</u>	<u>-</u>	<u>343,345</u>	<u>814,207</u>
-	778,240	-	778,240
2,458	-	-	2,458
872	-	-	300,872
-	-	-	753,583
<u>3,330</u>	<u>778,240</u>	<u>-</u>	<u>1,835,153</u>
<u>\$ 7,631</u>	<u>\$ 778,240</u>	<u>\$ 343,345</u>	<u>\$ 2,649,360</u>

See notes to financial statements

Township of Johnstown**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - all governmental fund types***Year ended March 31, 2004*

	<u>General</u>	<u>Special revenue</u>	<u>Debt Service</u>	<u>Totals (memorandum only)</u>
REVENUES:				
Taxes	\$ 90,517	\$ 110,109	\$ -	\$ 200,626
State grants	223,793	-	-	223,793
Charges for services	16,053	-	-	16,053
Interest	15,021	4,102	24,029	43,152
Other	5,317	18,472	77,087	100,876
Total revenues	<u>350,701</u>	<u>132,683</u>	<u>101,116</u>	<u>584,500</u>
EXPENDITURES:				
Legislative	9,982	-	-	9,982
General government	117,404	-	-	117,404
Public safety	66,894	-	-	66,894
Public works	164,042	39,980	-	204,022
Recreation and culture	4,000	-	-	4,000
Health and welfare	2,500	-	-	2,500
Capital outlays	6,415	-	-	6,415
Debt service:				
Principal	-	-	81,987	81,987
Interest	-	-	19,129	19,129
Total expenditures	<u>371,237</u>	<u>39,980</u>	<u>101,116</u>	<u>512,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(20,536)</u>	<u>92,703</u>	<u>-</u>	<u>72,167</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	80,350	50,000	-	130,350
Operating transfers out	<u>(50,000)</u>	<u>(80,350)</u>	<u>-</u>	<u>(130,350)</u>
Total other financing sources (uses)	<u>30,350</u>	<u>(30,350)</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	9,814	62,353	-	72,167
FUND BALANCE - BEGINNING OF YEAR	<u>376,151</u>	<u>605,265</u>	<u>-</u>	<u>981,416</u>
FUND BALANCE - END OF YEAR	<u>\$ 385,965</u>	<u>\$ 667,618</u>	<u>\$ -</u>	<u>\$ 1,053,583</u>

See notes to financial statements

Township of Johnstown**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET AND ACTUAL - *general and special revenue funds****Year ended March 31, 2004*

	<i>General Fund</i>		
	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
REVENUES:			
Taxes	\$ 96,000	\$ 90,517	\$ (5,483)
State grants	230,000	223,793	(6,207)
Charges for services	8,500	16,053	7,553
Interest	9,000	15,021	6,021
Other	700	5,317	4,617
Total revenues	<u>344,200</u>	<u>350,701</u>	<u>6,501</u>
EXPENDITURES:			
Legislative	10,575	9,982	593
General government	125,833	117,404	8,429
Public safety	70,500	66,894	3,606
Public works	162,600	164,042	(1,442)
Recreation and culture	4,000	4,000	-
Health and welfare	2,500	2,500	-
Capital outlays	14,230	6,415	7,815
Total expenditures	<u>390,238</u>	<u>371,237</u>	<u>19,001</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(46,038)</u>	<u>(20,536)</u>	<u>25,502</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	80,350	80,350	-
Operating transfers out	-	(50,000)	(50,000)
Total other financing sources (uses)	<u>80,350</u>	<u>30,350</u>	<u>(50,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>34,312</u>	<u>9,814</u>	<u>(24,498)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>376,151</u>	<u>376,151</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 410,463</u>	<u>\$ 385,965</u>	<u>\$ (24,498)</u>

<i>Special revenue funds</i>			<i>Totals (memorandum only)</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance favorable (unfavorable)</i>
\$ 118,000	\$ 110,109	\$ (7,891)	\$ 214,000	\$ 200,626	\$ (13,374)
-	-	-	230,000	223,793	(6,207)
-	-	-	8,500	16,053	7,553
2,000	4,102	2,102	11,000	19,123	8,123
24,000	18,472	(5,528)	24,700	23,789	(911)
<u>144,000</u>	<u>132,683</u>	<u>(11,317)</u>	<u>488,200</u>	<u>483,384</u>	<u>(4,816)</u>
-	-	-	10,575	9,982	593
-	-	-	125,833	117,404	8,429
-	-	-	70,500	66,894	3,606
56,900	39,980	16,920	219,500	204,022	15,478
-	-	-	4,000	4,000	-
-	-	-	2,500	2,500	-
-	-	-	14,230	6,415	7,815
<u>56,900</u>	<u>39,980</u>	<u>16,920</u>	<u>447,138</u>	<u>411,217</u>	<u>35,921</u>
<u>87,100</u>	<u>92,703</u>	<u>5,603</u>	<u>41,062</u>	<u>72,167</u>	<u>31,105</u>
-	50,000	50,000	80,350	130,350	50,000
(80,350)	(80,350)	-	(80,350)	(130,350)	(50,000)
<u>(80,350)</u>	<u>(30,350)</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,750	62,353	55,603	41,062	72,167	31,105
<u>605,265</u>	<u>605,265</u>	<u>-</u>	<u>981,416</u>	<u>981,416</u>	<u>-</u>
<u>\$ 612,015</u>	<u>\$ 667,618</u>	<u>\$ 55,603</u>	<u>\$ 1,022,478</u>	<u>\$ 1,053,583</u>	<u>\$ 31,105</u>

See notes to financial statements

Township of Johnstown

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCE - Non-expendable

Trust Fund: Cemetery Perpetual Care Fund

Year ended March 31, 2004

REVENUES:	
Interest income	\$ 27
FUND BALANCE - BEGINNING OF YEAR	<u>3,303</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,330</u>

**STATEMENT OF CASH FLOWS - Non-expendable Trust Fund: Cemetery
Perpetual Care Fund**

Year ended March 31, 2004

Cash flows from investing activities:	
Interest income	\$ 27
CASH - BEGINNING OF YEAR	<u>3,303</u>
CASH - END OF YEAR	<u>\$ 3,330</u>

See notes to financial statements

Township of Johnstown
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Johnstown, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies:

a) Reporting entity:

In accordance with generally accepted accounting principles and Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, these financial statements present the Township (primary government). The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. The Township has determined that no outside agency meets the above criteria and, therefore, no outside agency has been included as a component unit in the Township's financial statements.

b) Basis of presentation:

The accounts of the Township are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for in, individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The financial activities of the Township are recorded in the separate funds and account group, categorized, and described as follows:

i) Governmental funds:

General Fund - this fund is used to account for all financial transactions not accounted for in another fund, including the general operating expenditures of the local unit. Revenues are derived from property taxes, state and federal distributions, grants, and other intergovernmental revenue.

Special revenue funds - these funds are used to account for specific governmental revenue (other than special assessments and major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt service fund - this fund is used to account for the servicing of general long-term debt not being financed by the non-expendable trust fund.

ii) Fiduciary funds:

These funds account for assets held by the Township in a trustee capacity or as an agent for or on behalf of others. Trust funds account for assets held by the Township under the terms of a formal trust agreement.

Township of Johnstown
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

b) Basis of presentation (continued):

The nonexpendable trust fund is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. The Township has elected to follow (1) all GASB pronouncements and (2) Financial Accounting Standards Board statements and interpretations, Accounting Principles Board opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with a GASB pronouncement, for its non-expendable fund.

Agency funds are custodial in nature and do not present results of operation or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the Township holds for others in an agency capacity.

iii) Account groups:

General fixed assets account group - this account group is used to account for fixed assets not accounted for in trust funds.

General long-term debt account group - this account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of trust funds.

c) Basis of accounting:

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt, which is recognized when due.

d) Budgets and budgetary accounting:

The Township follows the procedures in establishing the budgetary data reflected in the financial statements in accordance with the Uniform Budgeting and Accounting Act (Act No. 2, Public Acts of 1968, as amended) as prescribed by the State of Michigan. Budgets for the general and special revenue funds are adopted at the functional level and are on a basis consistent with generally accepted accounting principles.

e) Fixed assets:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Township of Johnstown
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

e) Fixed assets (continued):

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

f) Property tax revenue recognition:

Property tax revenue is recognized in the year for which taxes have been levied and become available. Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on February 14 (75 days after the date levied), at which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 as revenue of the current year.

g) Special assessment revenue recognition:

Special assessment revenues are recorded as deferred when initially assessed. To the extent special assessments are realized, that is collected, revenues are recognized. Special assessments are recognized as revenues when they become measurable and available. Any portion of special assessments which does not meet both criteria is reported as deferred revenue. Interest income on special assessments receivable is not accrued until its due date.

h) Totals - (memorandum only):

The total column on the combined statements is captioned "memorandum only" to indicate that it is prepared only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation as interfund eliminations have not been made.

NOTE 2 - CASH:

Cash as presented in the combined balance sheet consists of deposits with financial institutions. Deposits are carried at cost and are maintained at various financial institutions in the name of the Township Treasurer. Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in accounts of federally-insured banks, credit unions, and savings and loan associations. At March 31, 2004, the Township has deposits with a carrying amount of \$1,012,179 and a bank balance of \$1,034,592. Of the bank balance, \$642,167 is covered by federal depository insurance and \$392,425 is uninsured.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:

The amount of interfund receivables and payables at March 31, 2004, is as follows:

<u>Fund</u>	<u>Interfund receivables</u>	<u>Fund</u>	<u>Interfund payables</u>
General	<u>\$1,237</u>	Tax Collection	<u>\$1,237</u>

Township of Johnstown
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - INVESTMENT IN GENERAL FIXED ASSETS:

A summary of changes in fixed assets follows:

	Balance April <u>1, 2003</u>	<u>Additions</u>	<u>Dispositions</u>	Balance March <u>31, 2004</u>
Land	\$ 5,012	\$ -	\$ -	\$ 5,012
Buildings	132,542	-	-	132,542
Fire vehicles and equipment	598,622	-	-	598,622
Other equipment	<u>42,064</u>	<u>-</u>	<u>-</u>	<u>42,064</u>
 INVESTMENT IN GENERAL FIXED ASSETS	 \$ <u>778,240</u>	 \$ <u>-</u>	 \$ <u>-</u>	 \$ <u>778,240</u>

NOTE 5 - LONG-TERM DEBT:

Long-term debt at March 31, 2004, is comprised of the following issue:

Special assessment debt with governmental commitment:

The Township has a contractual agreement to remit to the Southwest Barry County Sewer and Water Authority all principal and interest collections arising from special assessments levied on properties served by the Authority. The Township is contingently liable for \$670,255 of outstanding water and sewer system contracts payable, in excess of the amounts which are to be repaid from collections of special assessments currently levied against properties within the Township. The Township has pledged its full faith and credit toward the total amounts due and anticipates that additional future assessments and other customer charges will be used to pay the contract liabilities.

The summary of long-term debt transactions for the year ended March 31, 2004, is as follows:

Balance - April 1, 2003	\$425,332
Retirements	<u>(81,987)</u>
 Balance - March 31, 2004	 \$ <u>343,345</u>

The annual debt service requirements, including interest of \$73,201, to amortize all debt outstanding as of March 31, 2004, is as follows:

2005	\$ 76,953
2006	73,572
2007	70,190
2008	66,809
2009	63,428
Thereafter	<u>65,594</u>
	 \$ <u>416,546</u>

Township of Johnstown
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - PENSION PLAN:

The Township provides pension benefits for its elected officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Michigan State Statute assigns the authority to establish and amend benefit provisions to the Township Board of Trustees. Employees are eligible to participate at the date of employment. During the year ended March 31, 2004, the Township contributed \$7,600 on behalf of all covered participants. The Township's contributions for each employee (and interest allocated to the employee's account) are vested after six months of continuous service. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

NOTE 7 - CLAIMS ARISING FROM RISK OF LOSS:

The Township is exposed to various risks of losses for claims arising from general liability, wrongful acts, professional liability, property damage and destruction, crime, accidents, and injuries. Risks of losses arising from possible claims are managed through the purchase of commercial insurance. Total coverage for liability or wrongful acts is \$2,000,000 respectively. For all risks of loss, there have been no significant reductions in insurance coverage from coverage provided in prior years. Also, in the past three years, settlements did not exceed insurance coverage.

NOTE 8 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS:

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted on the functional basis.

During the year ended March 31, 2004, the Township incurred expenditures in certain budgetary funds, which were in excess of the amounts appropriated.

The following schedule sets forth significant budget variations.

<u>Fund</u>	<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	Public works	\$162,600	\$164,042	\$ 1,442
	Operating transfers out	-	50,000	50,000

Township of Johnstown
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - STATUTORY COMPLIANCE:

P.A. 621 of 1978, Section 18(1), as amended, provides that total estimated expenditures, including an accrued deficit, in the budget shall not exceed the total estimated revenues. The Township had a budgeted deficit in the Fine Lake Aquatic Fund for the year ended March 31, 2004. The actual fund balance as of March 31, 2004 was \$28,601.

NOTE 10 - JOINTLY GOVERNED ENTITY:

The Township, together with the Townships of Barry, Hope, and Prairieville established the Southwest Barry County Sewer and Water Authority, under the provisions of Act 233 of 1955, to operate, maintain, administer and manage a sewage collection and disposal system. The governing body of the Authority is made up of the Supervisors of each member township. Membership does not convey an equity interest in the organization. Operating costs are financed through user fees and debt service costs are paid from special assessments upon benefited properties.

NOTE 11 - PRIOR PERIOD ADJUSTMENT:

A prior period adjustment has resulted in a restatement of the Township's General Fund equity presented in the general purpose financial statements. The following schedule identifies the nature and amount of the adjustment recorded:

Fund balance:	
Beginning of year, as previously reported	\$362,732
Prior period adjustment - understatement of prepaid expenses	<u>13,419</u>
Beginning of year, as restated	<u>\$376,151</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS

Township of Johnstown**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND****BALANCE - BUDGET AND ACTUAL - General Fund**

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes:			
Property taxes	\$ 79,000	\$ 72,322	\$ (6,678)
Administrative fees	<u>17,000</u>	<u>18,195</u>	<u>1,195</u>
Total taxes	<u>96,000</u>	<u>90,517</u>	<u>(5,483)</u>
State grants	<u>230,000</u>	<u>223,793</u>	<u>(6,207)</u>
Charges for services	<u>8,500</u>	<u>16,053</u>	<u>7,553</u>
Interest	<u>9,000</u>	<u>15,021</u>	<u>6,021</u>
Other:			
Special assessments	300	2,160	1,860
Miscellaneous	<u>400</u>	<u>3,157</u>	<u>2,757</u>
Total other	<u>700</u>	<u>5,317</u>	<u>4,617</u>
Total revenues	<u>344,200</u>	<u>350,701</u>	<u>6,501</u>
EXPENDITURES:			
Legislative - Township board	<u>10,575</u>	<u>9,982</u>	<u>593</u>
General government:			
Supervisor	17,935	17,118	817
Elections	2,105	168	1,937
Assessor	17,700	20,568	(2,868)
Clerk	20,365	18,486	1,879
Board of review	1,265	1,175	90
Treasurer	22,800	22,766	34
Hall and grounds	5,963	4,173	1,790
Cemetery	7,500	7,440	60
Insurance	12,000	13,176	(1,176)
Retirement	9,000	6,434	2,566
Professional fees	5,000	4,800	200
Other	<u>4,200</u>	<u>1,100</u>	<u>3,100</u>
Total general government	<u>125,833</u>	<u>117,404</u>	<u>8,429</u>

Township of Johnstown**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - General Fund (Continued)***Year ended March 31, 2004*

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued):			
Public safety - Fire protection	\$ 70,500	\$ 66,894	\$ 3,606
Public works:			
Roads	155,900	155,950	(50)
Street lights	1,000	897	103
Transfer station	5,700	5,000	700
Weed control	-	2,195	(2,195)
Total public works	162,600	164,042	(1,442)
Recreation and culture - Library	4,000	4,000	-
Health and welfare - Ambulance	2,500	2,500	-
Capital outlays	14,230	6,415	7,815
Total expenditures	390,238	371,237	19,001
DEFICIENCY OF REVENUES OVER EXPENDITURES	(46,038)	(20,536)	25,502
OTHER FINANCING SOURCES (USES):			
Operating transfer in - Road Fund	80,350	80,350	-
Operating transfer out - Fine Lake Aquatic Fund	-	(50,000)	(50,000)
Total other financing sources (uses)	80,350	30,350	(50,000)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	34,312	9,814	(24,498)
FUND BALANCE - BEGINNING OF YEAR	376,151	376,151	-
FUND BALANCE - END OF YEAR	\$ 410,463	\$ 385,965	\$ (24,498)

Township of Johnstown
COMBINING BALANCE SHEET - special revenue funds
March 31, 2004

	<u>Road</u>	<u>Fire</u>	<u>Building</u>
ASSETS			
Cash	\$ 122,508	\$ 216,509	\$ 300,000
Receivables:			
Taxes	3,251	6,503	-
Special assessments	-	-	-
Interest	-	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 125,759</u>	<u>\$ 223,012</u>	<u>\$ 300,000</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES:			
Deferred revenue	<u>\$ 3,251</u>	<u>\$ 6,503</u>	<u>\$ -</u>
FUND BALANCE:			
Unreserved - designated	-	-	300,000
Unreserved - undesignated	<u>122,508</u>	<u>216,509</u>	<u>-</u>
Total fund balance	<u>122,508</u>	<u>216,509</u>	<u>300,000</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 125,759</u>	<u>\$ 223,012</u>	<u>\$ 300,000</u>

<i>Fine Lake Aquatic</i>	<i>Totals</i>
\$ 28,601	\$ 667,618
-	9,754
100,350	100,350
<u>47</u>	<u>47</u>
<u>\$ 128,998</u>	<u>\$ 777,769</u>

<u>\$ 100,397</u>	<u>\$ 110,151</u>
-	300,000
<u>28,601</u>	<u>367,618</u>
<u>28,601</u>	<u>667,618</u>
<u>\$ 128,998</u>	<u>\$ 777,769</u>

Township of Johnstown**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - *special revenue funds****Year ended March 31, 2004*

	<u>Road</u>	<u>Fire</u>	<u>Building</u>
REVENUES:			
Property taxes	\$ 36,699	\$ 73,410	\$ -
Interest	2,650	1,452	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>39,349</u>	<u>74,862</u>	<u>-</u>
EXPENDITURES:			
Public works	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39,349	74,862	-
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	<u>(80,350)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,350)</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(41,001)	74,862	-
FUND BALANCE - BEGINNING OF YEAR	<u>163,509</u>	<u>141,647</u>	<u>300,000</u>
FUND BALANCE - END OF YEAR	<u>\$ 122,508</u>	<u>\$ 216,509</u>	<u>\$ 300,000</u>

<i>Fine Lake Aquatic</i>	<i>Totals</i>
\$ -	\$ 110,109
-	4,102
<u>18,472</u>	<u>18,472</u>
<u>18,472</u>	<u>132,683</u>
<u>39,980</u>	<u>39,980</u>
(21,508)	92,703
50,000	50,000
<u>-</u>	<u>(80,350)</u>
<u>50,000</u>	<u>(30,350)</u>
28,492	62,353
<u>109</u>	<u>605,265</u>
<u>\$ 28,601</u>	<u>\$ 667,618</u>

Township of Johnstown

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - *Road Fund***

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes	\$ 39,000	\$ 36,699	\$ (2,301)
Interest	<u>1,000</u>	<u>2,650</u>	<u>1,650</u>
Total revenues	<u>40,000</u>	<u>39,349</u>	<u>(651)</u>
OTHER FINANCING USES:			
Operating transfer out - General Fund	<u>(80,350)</u>	<u>(80,350)</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER OTHER USES	(40,350)	(41,001)	(651)
FUND BALANCE - BEGINNING OF YEAR	<u>163,509</u>	<u>163,509</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 123,159</u>	<u>\$ 122,508</u>	<u>\$ (651)</u>

Township of Johnstown

STATEMENT OF REVENUES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL - *Fire Fund*

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Taxes	\$ 79,000	\$ 73,410	\$ (5,590)
Interest	<u>1,000</u>	<u>1,452</u>	<u>452</u>
Total revenues	<u>80,000</u>	<u>74,862</u>	<u>(5,138)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>141,647</u>	<u>141,647</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 221,647</u>	<u>\$ 216,509</u>	<u>\$ (5,138)</u>

Township of Johnstown

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - *Fine Lake Aquatic Fund***

Year ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES:			
Other - special assessments	\$ 24,000	\$ 18,472	\$ (5,528)
EXPENDITURES:			
Public works - Weed control	<u>56,900</u>	<u>39,980</u>	<u>16,920</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(32,900)	(21,508)	11,392
OTHER FINANCING SOURCES:			
Operating transfer in - General Fund	<u>-</u>	<u>50,000</u>	<u>50,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(32,900)	28,492	61,392
FUND BALANCE - BEGINNING OF YEAR	<u>109</u>	<u>109</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (32,791)</u>	<u>\$ 28,601</u>	<u>\$ 61,392</u>

Township of Johnstown
COMBINING BALANCE SHEET - *trust and agency funds*
March 31, 2004

	<i>Non- expendable trust:</i>	<i>Agency funds:</i>		
	<i>Cemetery Perpetual Care Fund</i>	<i>Tax Collection Fund</i>	<i>Trust and Agency Fund</i>	<i>Totals</i>
ASSETS				
Cash	\$ 3,330	\$ 1,237	\$ 3,064	\$ 7,631
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Due to other funds	\$ -	\$ 1,237	\$ -	\$ 1,237
Due to other governmental units	-	-	3,064	3,064
Total liabilities	-	1,237	3,064	4,301
FUND BALANCE:				
Reserved for perpetual care	2,458	-	-	2,458
Unreserved, undesignated	872	-	-	872
Total fund balance	3,330	-	-	3,330
TOTAL LIABILITIES AND FUND EQUITY	\$ 3,330	\$ 1,237	\$ 3,064	\$ 7,631

Township of Johnstown
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
all agency funds
Year ended March 31, 2004

	<i>Balance April 1, 2003</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance March 31, 2004</i>
TAX COLLECTION FUND				
ASSETS				
Cash	\$ 1,090	\$ 1,829,516	\$ 1,829,369	\$ 1,237
LIABILITIES				
Due to other funds	\$ 1,090	\$ 350,303	\$ 350,156	\$ 1,237
Due to other governmental units	-	1,479,213	1,479,213	-
TOTAL LIABILITIES	\$ 1,090	\$ 1,829,516	\$ 1,829,369	\$ 1,237
TRUST AND AGENCY FUND				
ASSETS				
Cash	\$ -	\$ 44,051	\$ 40,987	\$ 3,064
LIABILITIES				
Due to other funds	\$ -	\$ 30,633	\$ 30,633	\$ -
Due to other governmental units	-	13,418	10,354	3,064
TOTAL LIABILITIES	\$ -	\$ 44,051	\$ 40,987	\$ 3,064
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 1,090	\$ 1,873,567	\$ 1,870,356	\$ 4,301
LIABILITIES				
Due to other funds	\$ 1,090	\$ 380,936	\$ 380,789	\$ 1,237
Due to other governmental units	-	1,492,631	1,489,567	3,064
TOTAL LIABILITIES	\$ 1,090	\$ 1,873,567	\$ 1,870,356	\$ 4,301